

## Grant Award Notification Process Overview FAQ August 2020

### 1.) Will you be presenting examples today of the grant award notification process documents?

Sample templates are on the Office of Grants Management website: [Grants Management Policies, Statutes, and Forms/Forms and FAQ's tab/Forms](#)

- An overview document provides a summary of the process purpose and steps.
- The templates contain minimum requirements that meet the standard language and assurances.
- Agencies can use these templates as starting points and then customize and edit to meet individual grant program requirements.

Agencies can also review MDE's website to learn more about their agency's process and review examples: [MDE Grant Information](#)

### 2.) Which document contains the preliminary letter that notifies applicants?

The sample template is on the Office of Grants Management website at the link provided in the answer to Question 1.

- The sample template is called *Initial Grantee Communication Letter Sample Template for use with Grant Award Notice Process as defined in 08-04*.
- The template communicates tentative approval and states that the prospective grantee may not begin work or incur expenses until they receive the Grant Award Notification (GAN) which is the official, legally binding document for the grant.

### 3.) Does your agency conduct a legal review the Grant Award Notification (GAN)?

MDE has been using this process for over ten years. A legal review is not an ongoing requirement.

### 4.) Is the GAN a full contract? \*Please also reference response to Question 17

Please reference the definition of the Grant Award Notice (GAN) provided in policy 08-04. It represents the final step resulting in a legally binding agreement only after these steps have been completed:

- Grant application materials include the standard grant contract language and assurances.
- Applicants accept the terms and conditions of the grant funds based on their signature and submission of application materials.
- State agency completes the grant application review process.
- The grant award notification incorporates the approved application materials, including the assurances accepted by the grant applicant, and officially notifies grantees that they may begin work on the grant. Signature steps are conducted in an order that results in an expedited process with a legally binding agreement.

### 5.) You mentioned including funding string information in the GAN, does this go to the grantee? If so, what is the reason for sharing the internal funding string information with the grantee?

The grantee does get a copy of the GAN which has the information included. The grantee may need that information when working with multiple agency employees when communicating about the grant.

**6.) What is your process if there are changes to the initial communication to grantees about being selected for a grant award? And how do you track changes?**

The initial communication to grantees about being selected for a grant award MDE sends out contains the following information:

- Their application submitted in response to the grant was selected for funding contingent upon clarifications and negotiations that are necessary before executing the award.
- The determination of the exact grant amount will be determined after clarifications and negotiations have concluded.

If work plan or budget clarification needs to take place, changes are managed and tracked at that time, and applicants submit new documentation. If there's a negotiated change of assurances, MDE requests that the applicant submits a new application with changes in assurances that were previously approved.

**7.) We (DHS) often have a lot of changes, both in deliverables and budgets, that would come up during negotiations. Would that make this more difficult? In a case like this would you have the applicant re-submit their application with the new information?**

If there was a change to the applicant's work plan, then they would submit a new application that would delineate changes.

**8.) As an alternative to the GAN, am I correct in assuming that an executed Grant Contract Agreement, which the Grant Applicant has signed, serves to notify that the grant work may begin?**

Yes. To take a step back, today's broad overview in highlighting the GAN is meant to provide information on how an agency can choose to use a Grant Award Notification Process (GAN) **or** a grant contract agreement process. Agencies choosing and implementing a grant contract agreement would notify the grantee with sending a copy of the fully executed grant contract agreement and let them know they may begin work.

**9.) What determines which path the agency takes? GAN vs contract?**

**MDE response:** MDE deals with high volume grants, both federal and state. The decision to use the Grant Award Notification (GAN) process was made ten years ago in order to speed up the process to get grant awards in place. MDE does not use the grant contract agreement path, only the GAN path.

**OGM response:** This is an internal agency decision. The state grant policy was revised to incorporate and codify this process as an option. Some agencies have piloted the GAN method with smaller grant programs, and it's been successful. The GAN method provides an additional option and choice for agencies to use if/when it makes sense for timing and to streamline the process.

**10.) It appears to just move steps to the application process, rather than contracting. Can you highlight the benefits you have experienced with the process over traditional contracting?**

Yes, that is an accurate way to describe the GAN method – i.e.

- The assurances, regulations, and conditions that a grantee accepts as part of the grant contract agreement execution process are instead included in the application materials.
- When the grant applicant submits the grant application materials, the applicant is accepting the terms and conditions of the grant funds up front. Collecting the grant applicant/grantee signature at the beginning of the process completes that step.
- After the agency reviews, scores, and approves the applications, makes initial grant award decisions, and conducts any required pre-award risk assessments, the agency encumbers funds and issues the grant award notice after collecting internal agency signatures.
- The benefits of this process are:
  - Grant applicants must meet the deadline for submitting their application which includes a signature certifying they accept the assurances required for the grant.
    - This provides incentive for applicants to submit materials in a timely manner. It cuts out a potential delay that can take place during the process of executing a grant contract agreement when the state agency has sent that grant contract agreement out for signature to the grantee and is waiting for the grantee to return it before the state agency signs.
  - MDE can batch process the Grant Award Notifications which results in a more uniform effective date for a set of grantees.
    - For example, all internal state agency signatures that are required can be expedited and completed within a shorter time period – i.e. encumbrance and authorized representative(s)
  - MDE has found that eliminating the back-and-forth communication that can take place during the more traditional grant contract agreement process results in a more streamlined and expedited approach to issuing grants.

**11.) Here is a scenario based on effective date and when work can begin: If the effective date is Oct 1, 2020, but the notice of award is made on September 15, 2020, the work cannot begin until Oct 1, 2020. That is my understanding.**

Yes. The Grant Award Notice (GAN) contains an effective date. Even if signatures are acquired before the effective date, the GAN isn't active until the effective date has passed.

**12.) What if the applicant signs on time but there is missing information in the application? Can they update the application after it has closed?**

When this process is being used for a competitive grant, after the application deadline is closed, MDE conducts an initial review of all submitted applications. In situations where the application is missing information or signatures, MDE considers it an incomplete application. In these situations, MDE reaches out to the applicant and gives the applicant a very short window of time to re-submit. If the applicant does not respond to that request, at that time, then the applicant does not move forward to the next step of grant review. MDE issues a regret letter to the applicant in that situation. Grant application instructions provide a broad overview and step-by-step explanation of the process.

**13.) Do you allow a longer time to respond to the RFP because there are a few more steps involved in capturing the initial assurances?**

MDE's typical turnaround time is around 4-6 weeks. MDE doesn't usually allow for extensions. If extensions are granted, they are granted for everyone to keep competition fair.

**14.) How are you receiving the applications and scoring them?**

MDE does this through competitive process. Everything is electronic and we follow the OGM process for competitive review.

**15.) Is a scoring sheet used for the competitive grant review?**

Yes, it is. Reviewers score the narrative questions only.

**16.) You mentioned that if assurances need to be negotiated that happens before the applicant signs and submit their application. Aren't they negotiating terms for an award they have not yet even received or been awarded? Is this confusing for some applicants?**

It's rare that assurances are negotiated up-front. MDE approaches negotiations to assurances later in the grant award process. For example, a prospective grantee, after being notified of a potential grant award, may request negotiation on intellectual property. MDE approaches this on a case-by-case basis.

The instructions for the applicants explain the process. This includes describing how applicants, by reviewing and submitting the required application materials that contain the assurances of the grant funds, accept the terms and conditions of the funds, if selected as a grantee. The application instructions also include the step-by-step description of the entire grant award process – i.e. how the application review, approval, notice, negotiation, pre-award review, and final step of issuing the Grant Award Notice works.

As MDE has been using this process for over ten years, most applicants are familiar with the process. The application instructions provide a central point of contact at the agency to respond to any applicant questions.

**17.) Is the GAN the same as the Grant Contract Agreement?**

The outcomes are the same – i.e. both result in a legally binding agreement, however, the process and the process steps are different.

- What is similar is the result – i.e.
  - The GAN (Grant Award Notification) has the same **result** as a grant contract agreement – i.e. a legally binding agreement- as long as the steps described in the policy's definition are followed in advance of an agency issuing the GAN – i.e.
    - Grant application materials include the standard grant contract language and assurances.
    - Applicants accept the terms and conditions of the grant funds based on their signature and submission of application materials.
    - State agency completes the grant application review process.
    - The grant award notification incorporates the approved application materials, including the assurances accepted by the grant applicant, and officially notifies grantees that they may begin work on the grant. Signature steps are conducted in an order that results in an expedited process with a legally binding agreement.

**17.) answer continued**

- What is different is the order of the signature steps:
  - The grant contract agreement is signed by both the state agency and the grantee. All signatures are collected at the end of the process.
  - The GAN (Grant Award Notification) is only signed by the state agency.
    - The grantee signature was submitted and collected at the time they submitted their application to the state agency certifying they accept all of the standard grant assurances and requirements up-front.

**18.) Is MDE granting to cities and counties? I'm wondering about the timing of their approval and signature process. Sometimes it can take a month or two to obtain their signature because of the timing of a board meeting. Have you encountered this? If so, how does it affect your timeline?**

MDE doesn't usually award to cities/counties but we do award to tribal nations. The tribal council needs to approve the application and the 4-6 timeframe usually allows that.

**19.) Is there a chart that breaks down the options and the breakdown of the differences, or comparisons of steps?**

There's not a chart. Please refer to broad overview document on OGM's website which describes the process.

**20.) If the application is the grantee signing off on the agreement (GAN is internal signatures), how do you assure you have the right person agreeing? For example, do you have a program staff of a school district emailing you the application but really a board chair has the authority to sign?**

It is the grantee's responsibility to ensure that the application materials are submitted by the representative(s) with legal authority to enter into a grant. The person with the authority to sign is identified on the cover sheet. MDE assumes that the grant applicant understands who, within their organization, has that authority. The application instructions describe the expectation of who has the individual authority to sign, based on the applicant type. Any grant applicant with questions on this can reach out to the central point of contact referenced in the grant application instructions.

**21.) Can you talk about how you complete amendments when using a GAN?**

The amendment process at MDE follows this order and steps:

- I. Signature is collected from the state agency's internal program division authorized representative
- II. The amendment document is then sent to the grantee to sign and return to the agency
- III. The agency encumbrance signature step is taken along with agency finance representative as the final signature.

**22.) Does this process only work with competitive grants?**

This process can be used for competitive, single-source grants, legislatively named grants and formula grants. MDE utilizes the process for formula grants on a case-by-case basis.

**23.) When granting to Counties, we often are required to collect 3-5 signatures (based on their internal process).**

MDE works mainly with school districts and charter schools which don't require 3-5 signatures. If an applicant entity requires multiple signatures, then the applicant needs to build in the time to secure those signatures in advance of submitting the application.